

The Cyprus Group, Nationwide, TIAA, and State Farm

NPR on Incentive-Based Compensation Arrangements (Dodd-Frank Act Section 956)

(Docket No. R-1536)

On July 29, 2016, the following representatives from the organizations noted met with staff of the Federal Reserve Board: Larry Chadwick and Jonathan Feigelson from TIAA, Wayne A. Cimon, Kevin J. Frederick, and Mary Schmidt from State Farm, David A. Garman, Mark S. Howard, and Dean T. Pappas from Nationwide, and Bridget Hagan from the Cyprus Group. Attendees from the Federal Reserve Board were Teresa Scott from the Division of Banking Supervision and Regulation, and Scott Alvarez, Laurie Schaffer, Michael Waldron, and Gillian Burgess from the Legal Division.

The representatives shared a number of concerns with the NPR, particularly relating to how the NPR would apply to insurance SLHCs. The representatives indicated that they would submit written comments outlining their concerns, which primarily focused on the scope of institutions that would be subject to the rule, the relationship between the rule and incentive-based compensation practices common at insurance SLHCs, the definition of “significant risk-taker” and the deferral provisions.